

Introduced by Senator Simitian

February 22, 2005

An act to amend Section 56836.15 of, to add Section 2558.7 to, and to repeal and add Section 42238.5 of, the Education Code, relating to public school finance.

LEGISLATIVE COUNSEL'S DIGEST

SB 958, as introduced, Simitian. School districts: declining enrollment.

Existing law requires the county superintendent of schools to determine a revenue limit for each school district in the county for each fiscal year.

Existing law requires the Superintendent of Public Instruction to make prescribed computations for the calculation of apportionments for the purpose of special education programs.

This bill would revise those computations, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 2558.7 is added to the Education Code,
2 to read:
3 2558.7. Notwithstanding any other provision of law, the
4 revenue limit for county office-operated classes serving pupils
5 who are individuals with exceptional needs and classes serving
6 court and community day school pupils shall be based on the
7 greater of current fiscal year average daily attendance or prior
8 fiscal year average daily attendance, pursuant to the same
9 formula for determining prior year average daily attendance that

1 is used for school district revenue limits pursuant to Section
2 42238.5.

3 SEC. 2. Section 42238.5 of the Education Code is repealed.

4 ~~42238.5. (a) For purposes of Section 42238, the fiscal year~~
5 ~~average daily attendance shall be computed pursuant to~~
6 ~~paragraph (1) or (2).~~

7 ~~(1) The second principal apportionment regular average daily~~
8 ~~attendance for either the current or prior fiscal year, whichever is~~
9 ~~greater. However, prior fiscal year average daily attendance shall~~
10 ~~be adjusted for any loss or gain of average daily attendance due~~
11 ~~to a reorganization or transfer of territory, or, commencing in the~~
12 ~~1993-94 fiscal year, and each fiscal year thereafter, for any~~
13 ~~change in average daily attendance for pupils who are~~
14 ~~concurrently enrolled in adult programs and classes pursuant to~~
15 ~~Section 52616.17.~~

16 ~~(2) Any school district that elects to receive funding pursuant~~
17 ~~to Article 4 (commencing with Section 42280) shall compute its~~
18 ~~units of average daily attendance for purposes of Section 42238~~
19 ~~by subtracting the amount determined in subparagraph (B) from~~
20 ~~the amount determined in subparagraph (A).~~

21 ~~(A) The units of average daily attendance computed pursuant~~
22 ~~to paragraph (1).~~

23 ~~(B) The units of average daily attendance resulting from pupils~~
24 ~~attending schools funded pursuant to Article 4 (commencing with~~
25 ~~Section 42280).~~

26 ~~(b) For purposes of this article, regular average daily~~
27 ~~attendance shall be the base revenue limit average daily~~
28 ~~attendance, excluding summer school average daily attendance.~~

29 ~~(c) For purposes of this section, for the 1998-99 fiscal year~~
30 ~~only, the prior year average daily attendance shall be the~~
31 ~~1997-98 regular average daily attendance, excluding absences~~
32 ~~excused pursuant to subdivision (b) of Section 46010, as that~~
33 ~~subdivision read on July 1, 1996.~~

34 SEC. 3. Section 42238.5 is added to the Education Code, to
35 read:

36 42238.5. (a) For purposes of Section 42238, the average daily
37 attendance for a fiscal year shall be computed pursuant to
38 paragraph (1) or (2).

39 (1) (A) A district whose average daily attendance has
40 increased since the last fiscal year shall use the average daily

1 attendance for the current fiscal year, except as provided in this
2 paragraph.

3 (B) A district whose average daily attendance has declined
4 since the last fiscal year, for the first time, shall use the average
5 daily attendance for the prior fiscal year.

6 (C) A district whose attendance has declined in the current
7 fiscal year, and whose attendance declined in the last fiscal year,
8 shall use the average of the average daily attendance for the prior
9 two fiscal years.

10 (D) A district whose attendance has declined in the current
11 fiscal year, and whose attendance declined in the last two or
12 more fiscal years, shall use the average of the average daily
13 attendance for the prior three fiscal years.

14 (E) A district whose attendance has increased for the first
15 fiscal year or the second fiscal year after its attendance had
16 declined for one or more fiscal years may elect to use the average
17 of the prior three years.

18 (F) For the purposes of this paragraph, the average daily
19 attendance used shall be the second principal report of
20 attendance, except that the annual report of attendance shall be
21 used when required by law.

22 (G) For purposes of this paragraph, the report of attendance
23 for any prior year used pursuant to this section shall be adjusted
24 for any loss or gain of average daily attendance due any of the
25 following:

26 (i) A reorganization or transfer of territory.

27 (ii) For the change in status of a necessary small school funded
28 pursuant to Article 4 (commencing with Section 42280).

29 (iii) For any change in average daily attendance for pupils who
30 are concurrently enrolled in adult programs and classes pursuant
31 to Section 52616.17.

32 (2) Any school district that elects to receive funding pursuant
33 to Article 4 (commencing with Section 42280) shall compute its
34 units of average daily attendance for purposes of Section 42238
35 by subtracting the amount determined in subparagraph (B) from
36 the amount determined in subparagraph (A).

37 (A) The units of average daily attendance computed pursuant
38 to paragraph (1).

(B) The units of average daily attendance resulting from pupils attending schools funded pursuant to Article 4 (commencing with Section 42280).

(b) For purposes of this article, regular average daily attendance shall be the base revenue limit average daily attendance, excluding summer school average daily attendance.

(c) If a school district's average daily attendance is based on averaging attendance from the prior two or three years, pursuant to subdivision (a), the department shall adjust the attendance for the second prior fiscal year or the third prior fiscal year consistent with the intent of Section 42238.51.

SEC. 4. Section 56836.15 of the Education Code is amended to read:

56836.15. (a) In order to mitigate the effects of any declining enrollment, commencing in the 1998–99 fiscal year, and each fiscal year thereafter, the superintendent shall calculate allocations to special education local plan areas based on the average daily attendance reported for the special education local plan area for the fiscal year in which the computation is made or the prior fiscal year, whichever is greater. However, the prior fiscal year average daily attendance reported for the special education local plan area shall be adjusted for any loss or gain of average daily attendance reported for the special education local plan area due to a reorganization or transfer of territory in the special education local plan area.

(b) For the 1998–99 fiscal year only, the prior year average daily attendance used in this section shall be the 1997–98 average daily attendance reported for the special education local plan area, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010, as that section read on July 1, 1996.

(c) If in the fiscal year for which the computation is made, the number of units of average daily attendance upon which allocations to the special education local plan area are based is greater than the number of units of average daily attendance upon which allocations to the special education local plan area were based in the prior fiscal year, the special education local plan area shall be allocated a growth adjustment equal to the product determined by multiplying the amounts determined under paragraphs (1) and (2).

1 (1) The statewide target amount per unit of average daily
2 attendance for special education local plan areas determined
3 pursuant to Section 56836.11, added to the amount determined in
4 paragraph (1) of subdivision (d) of Section 56836.155.

5 (2) The difference between the number of units of average
6 daily attendance upon which allocations to the special education
7 local plan area are based for the fiscal year in which the
8 computation is made and the number of units of average daily
9 attendance upon which allocations to the special education local
10 plan area were based for the prior fiscal year.

11 (d) If in the fiscal year for which the computation is made, the
12 number of units of average daily attendance upon which
13 allocations to the special education local plan area are based is
14 less than the number of units of average daily attendance upon
15 which allocations to the special education local plan area were
16 based in the prior fiscal year, the special education local plan
17 area shall receive a funding reduction equal to the product
18 determined by multiplying the amounts determined under
19 paragraphs (1) and (2):

20 ~~The~~ (A) *For fiscal years 2004-05 and earlier, the amount*
21 *of funding per unit of average daily attendance computed for the*
22 *special education local plan area for the prior fiscal year.*

23 (B) *Effective with the 2005-06 fiscal year, the statewide target*
24 *amount of funding for the current fiscal year.*

25 (2) The difference between the number of units of average
26 daily attendance upon which allocations to the special education
27 local plan area are based for the fiscal year in which the
28 computation is made and the number of units of average daily
29 attendance upon which allocations to the special education local
30 plan area were based for the prior fiscal year.

31 (e) If, in the fiscal year for which the computation is made, the
32 number of units of average daily attendance upon which the
33 allocations to the special education local plan area identified as
34 the Los Angeles County Juvenile Court and Community
35 School/Division of Alternative Education Special Education
36 Local Plan Area are based is greater than the number of units of
37 average daily attendance upon which the allocations to that
38 special education local plan area were based in the prior fiscal
39 year, that special education local plan area shall be allocated a
40 growth adjustment equal to the product determined by

1 multiplying the amounts determined under paragraphs (1) and
2 (2).

3 (1) The amount of funding per unit of average daily attendance
4 computed for the special education local plan area for the prior
5 fiscal year pursuant to Section 56836.10 multiplied by one plus
6 the inflation adjustment computed pursuant to Section 42238.1
7 for the fiscal year in which the computation is being made.

8 (2) The difference between the number of units of average
9 daily attendance upon which allocations to the special education
10 local plan area are based for the fiscal year in which the
11 computation is made and the number of units of average daily
12 attendance upon which allocations to the special education local
13 plan area were based for the prior fiscal year.

14 *(f) For the 2005–06 fiscal year and each year thereafter, the*
15 *average daily attendance for the prior fiscal year for the*
16 *purposes of subdivision (a) shall be the sum of the funded*
17 *number of units of average daily attendance for each district or*
18 *county office of education participating in the special education*
19 *local plan area.*